



***Caltrans***

**LOW  
CARBON  
TRANSIT  
OPERATIONS  
PROGRAM**

[SB 862 (2014)]

AUGUST 2014

# STARTING POINTS:

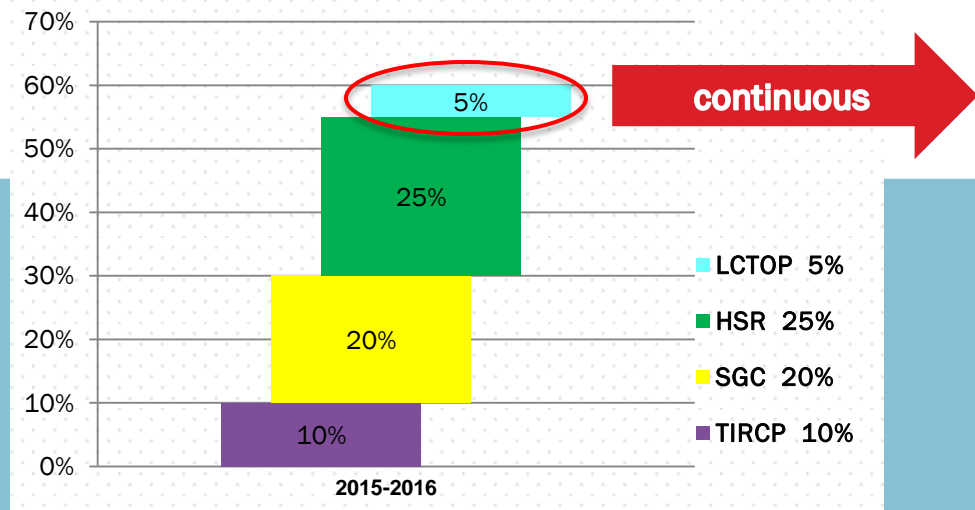
## CLIMATE POLICY TO REDUCE GHG EMISSIONS

- **AB 32 (2006)**
  - Target:
    - Greenhouse Gas (GHG) emissions at 1990 levels by 2020 and maintain reductions
  - Authorized the Cap and Trade Program at the Air Resources Board (ARB)
- **SB 375 (2008) and SB 391 (2009)**
  - Required Sustainable Communities Strategies in Regional Transportation Plans
- **High-Speed Rail/Prop. 1A (AB 3034, 2008)**
  - Helps reduce GHG emissions by investing in both high-speed rail and existing rail systems



# 2014-15 BUDGET – SB 862

- Directs proceeds from Greenhouse Gas Reduction Fund to specific programs
- Low Carbon Transit Operations Program(LCTOP) established
  - \$25 million of FY 2014-15 funds
  - 5% of future annual GGRF proceeds continuously appropriated



# WHAT ARE THE KEY LCTOP PURPOSES?

- Provide operating and capital assistance for transit agencies to:
  - *Reduce greenhouse gas emissions*
  - *Improve mobility*
  - *With a priority on serving disadvantaged communities*



# WHAT ARE THE ROLES OF STATE AGENCIES?

- Caltrans, in coordination with the Air Resources Board, will:
  - *Establish guidelines describing methodologies to meet criteria*
  - *Determine eligibility of proposed expenditures*
  - *Establish reporting requirements*



# WHAT ARE THE ROLES OF STATE AGENCIES?

- The Strategic Growth Council will review guideline for consistency with State policy
- Caltrans will notify the State Controller's Office of approved expenditures and allocation amounts
- SCO shall allocate funding



California  
Strategic Growth Council



# THE ROUGH PROCESS, DIAGRAMED

Caltrans, in coordination with ARB,  
and reviewed by SGC

Draft, Define, Publish Guidelines

Caltrans, in coordination with ARB

Evaluate Applications & Approve  
Expense Types

State Controller's Office

Allocate Funds



# WHO IS AN ELIGIBLE APPLICANT FOR LCTOP FUNDING?

## ➤ Public Transit Agencies

- Public Transit Agencies that currently qualify for funding in the State Transit Assistance Program
- Where applicable, at least 50 % of available funding must benefit the “disadvantaged communities”





# HOW IS THE LCTOP ALLOCATION DISTRIBUTED?

- **50% to Regional Entities based on Population**
  - Allocation based on Public Utilities Code (PUC) 99313
- **50% to Transit Agencies based on Farebox Revenue**
  - Allocation based PUC 99314

\*Agencies qualified as recipients of funds under PUC 99314, may also receive funds from PUC 99313 as determined by each Regional Entity.



# WHAT ARE THE REQUIREMENTS FOR THE TRANSIT AGENCY?

- Comply with guidelines developed by Caltrans and the State Air Resources Board
- Provide the following documents to Caltrans:
  - Annual reporting requirements
  - List of proposed expenditures
  - Required documentation to demonstrate compliance



# WHAT PROJECTS ARE ELIGIBLE FOR FUNDING?

1. Expenditures supporting new or expanded bus or rail services, including operations expenses



# WHAT PROJECTS ARE ELIGIBLE FOR FUNDING?

## 2. Expanded intermodal transit facilities

- May include equipment acquisition, fueling, and maintenance

## 3. Other costs to operate services and facilities



# KEY ELIGIBILITY REQUIREMENT FOR ALL *LCTOP* PROJECTS:

- Must directly enhance or expand transit service to increase mode share
  - Cal. Pub. Res. Code section 75221, subd. (b) (2)
- “[A] project shall demonstrate that it will achieve a reduction in [GHG] emissions.” (Emphasis added.)
  - Cal. Pub. Res. Code section 75221, subd. (b) (3)
- The State Air Resources Board will develop guidelines for maximizing benefits to disadvantaged communities (where applicable for transit agencies)
  - Cal. Gov. Code section 39715



# KEY ISSUES FOR EARLY STAKEHOLDER DISCUSSION

- How an agency will demonstrate which expenditure will reduce greenhouse gas emissions
- How Caltrans will evaluate operating expenditures for compliance
- Development of a list of examples of eligible expenditures/projects that meet requirements under (d)(1) of Section 75230.
- Reporting, including on benefits to disadvantaged communities
- Other

